

CONCORDIA PARISH RECREATION
DISTRICT NO. 3
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013

WITH
INDEPENDENT AUDITOR'S REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 25 2014



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA**

Annual Financial Statements
As of and for the Year Ended December 31, 2013
With Supplemental Information Schedules

TABLE OF CONTENTS

	Statement	Page
INDEPENDENT AUDITOR'S REPORT		12
SECTION I - REQUIRED SUPPLEMENTAL INFORMATION		
Management's Discussion and Analysis		36
SECTION II - BASIC FINANCIAL STATEMENTS		
Government Wide Financial Statements		
Statement of Net Position	A	7
Statement of Activities	B	8
Fund Financial Statements		
Governmental Funds		
Balance Sheet	C	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	10
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	F	12
NOTES TO THE FINANCIAL STATEMENTS		13-20
SECTION III - REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards		21-22
SECTION IV - SUMMARY OF AUDITOR'S REPORTS		
Schedule of Findings		23
Status of Prior Audit Findings		24
Current Year Findings, Recommendations, and Corrective Action Plan		25



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce Street
PO Box 1027
Natchez, Mississippi 39121 1027
Telephone 601 442 7411
Fax 601 442 8551
www.silassimmons.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Concordia Parish Recreation District No. 3
Concordia Parish Police Jury
Vidalia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Parish Recreation District No. 3, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2013, which collectively comprise the Concordia Parish Recreation District No. 3's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions

In our opinion the financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities each major fund and the aggregate remaining fund information of the Concordia Parish Recreation District No 3 as of December 31 2013 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* we have also issued our report dated May 30 2014 on our consideration of the Concordia Parish Recreation District No 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations contracts grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concordia Parish Recreation District No 3's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the Recreation District Board the Concordia Parish Police Jury and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.



Natchez Mississippi
May 30 2014

{

SECTION I
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31 2013**

INTRODUCTION

As management of the Concordia Parish Recreation District No 3 Vidalia Louisiana we offer readers of the Recreation District's financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31 2013 and 2012. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2013 and 2012 the Concordia Parish Recreation District No 3's net position increased and resulted in ending net position of \$2 960 466 at December 31 2013 and \$2 958 668 at December 31 2012.

- 1 The cash balance for the District was \$287 266 in 2013 and \$322 714 in 2012.
- 2 The general fund had \$378 099 in revenues for 2013 compared to \$444 125 in 2012. These primarily consisted of the property taxes and interest income. There were \$376 301 in governmental expenditures for 2013 and \$217 652 for 2012.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Parish Recreation District No 3's basic financial statements. The District's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government wide financial statements The government wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

The government wide financial statements outline functions of the District that are principally supported by property taxes. Fixed assets are also supported by taxes and other revenues.

The government wide financial statements can be found on pages 7 – 8 of this report.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 9 – 12 of this report.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 13 – 20 of this report.

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
MANAGEMENT S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31 2013

GOVERNMENT WIDE FINANCIAL ANALYSIS

The following is a summary of net position for the periods ending December 31 2013 and 2012

	Governmental Activities	
	2013	2012
Current assets	\$ 615 888	\$ 672 084
Noncurrent assets – capital assets	5,383,775	5,373,790
Total assets	<u>\$ 5,999,663</u>	<u>\$ 6,045,874</u>
Current liabilities	\$ 177 990	\$ 207 001
Noncurrent liabilities	2,861,207	2,880,205
Total liabilities	<u>\$ 3,039,197</u>	<u>\$ 3,087,206</u>
Net position		
Investment in capital assets	\$ 2 414 626	\$ 2 880 205
Restricted for debt service		1
Unrestricted	545,840	78,462
Total net position	<u>\$ 2,960,466</u>	<u>\$ 2,958,668</u>

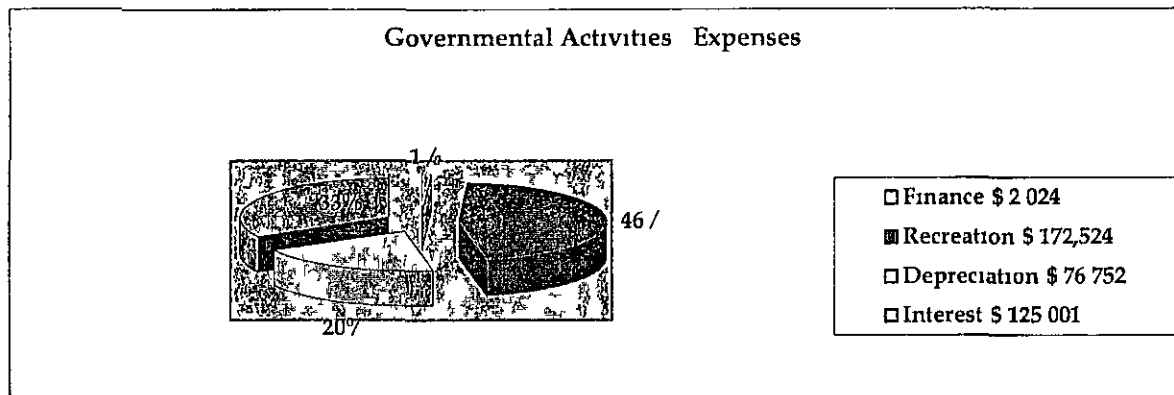
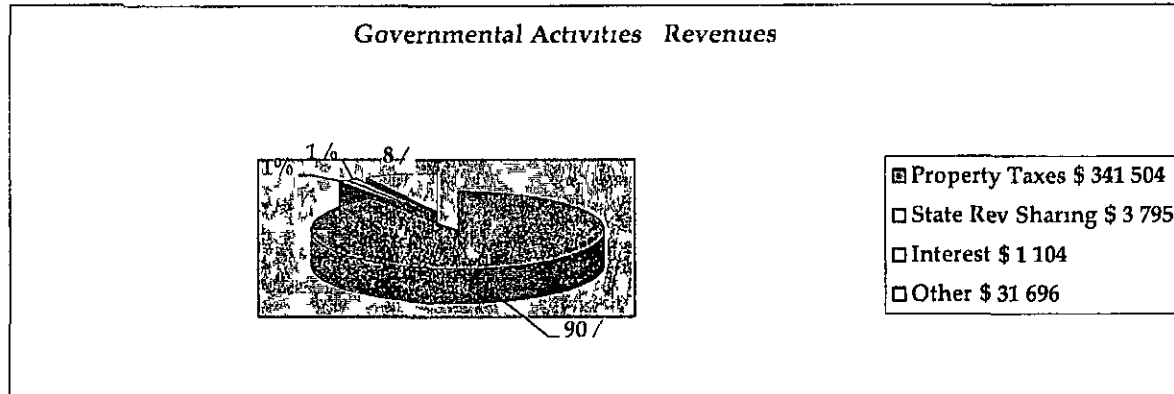
The following is a summary of the statement of activities for the periods ending December 31 2013 and 2012

	2013	2012
Revenues		
Ad valorem taxes	\$ 341 504	\$ 356 888
State revenue sharing	3 795	4 078
Interest income	1 104	8 741
Other income	31,696	74,418
Total revenues	<u>\$ 378,099</u>	<u>\$ 444,125</u>
Expenses		
Finance and administration	\$ 2 024	\$ 8 282
Culture and recreation	172 524	185 900
Depreciation	76 752	18 086
Interest expense	125,001	5,384
Total expenses	<u>\$ 376,301</u>	<u>\$ 217,652</u>
Increase in net position	\$ 1 798	\$ 226 473
Net position January 1	2,958,668	2,732,195
Net position December 31	<u>\$ 2,960,466</u>	<u>\$ 2,958,668</u>

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31 2013

GOVERNMENT WIDE FINANCIAL ANALYSIS (continued)

The following are a graphical representation of information presented in the statement of activities for governmental activities for the year 2013



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government wide financial statements

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

The District as a special district created before December 31 1974 is not required to adopt a budget under the Louisiana Government Budget Act therefore no budget was adopted by the District

CAPITAL ASSETS

As of December 31 2013 and 2012 the District had \$5 383 775 and \$5 373 790 respectively invested in capital assets

**CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
MANAGEMENT S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31 2013**

FUTURE PLANS

Our plans for the future are to give up the maintenance of some of the old fields and concentrate on the new complex We have started the process of getting bids to tear down some buildings and will be turning off electricity at some of the parks

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens taxpayers customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives Any questions about this report or requests for additional information may be directed to Patricia Anderson Secretary 2056 Viking Street Vidalia LA 71373

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31 2013

ASSETS

Current assets	
Cash and cash equivalents	\$ 287,266
Receivables	
Accounts	324,953
Prepaid expenses	3,669
Capital assets (net)	<u>5,383,775</u>
 Total assets	 <u>\$ 5,999,663</u>

LIABILITIES

Accounts and other payables	\$ 70,048
Accrued interest payable	107,942
Long term liabilities	
Due within one year	70,913
Due in more than one year	<u>2,790,294</u>
 Total liabilities	 <u>\$ 3,039,197</u>

NET POSITION

Invested in capital assets net of related debt	\$ 2,414,626
Unrestricted	<u>545,840</u>
 Total net position	 <u>\$ 2,960,466</u>

The accompanying notes are an integral part of this financial statement

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31 2013

REVENUES

Ad valorem taxes	\$ 341 504
State revenue sharing	3 795
Interest income	1 104
Other income	<u>31,696</u>
Total revenues	<u>\$ 378,099</u>

EXPENDITURES

General government	
Finance and administration	\$ 2 024
Culture and recreation	172 524
Depreciation	76 752
Interest expense	<u>125,001</u>
Total expenditures	<u>\$ 376,301</u>
Change in net position	\$ 1 798
Net position beginning of year	<u>2,958,668</u>
Net position end of year	<u>\$ 2,960,466</u>

The accompanying notes are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31 2013

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 287 266	\$	\$ 287 266
Receivables			
Accounts	324 953		324 953
Prepaid expenses	3,669		3,669
Total assets	<u>\$ 615,888</u>	<u>\$</u>	<u>\$ 615,888</u>
LIABILITIES			
Current liabilities			
Accounts and other payables	\$ 70,048	\$	\$ 70,048
Fund balances			
Unassigned	\$ 545,840	\$	\$ 545,840
Total fund balance	<u>\$ 545,840</u>	<u>\$</u>	<u>\$ 545,840</u>
Total liabilities and fund balance	<u>\$ 615,888</u>	<u>\$</u>	<u>\$ 615,888</u>

The accompanying notes are an integral part of this financial statement

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31 2013

Total fund balances for governmental funds (Statement C)	\$ 545 840
Total net position reported for governmental activities in the statement of net position is different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds Those assets consist of	
Land	527 540
Buildings net of \$333 595 accumulated depreciation	4 755 315
Equipment net of \$308 428 accumulated depreciation	100 920
Long term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities	
Bonds payable	(2 861 207)
Accrued interest payable	<u>(107,942)</u>
Total net position of governmental activities (Statement A)	<u>\$ 2,960,466</u>

The accompanying notes are an integral part of this financial statement

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31 2013

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 341 504	\$	\$ 341 504
State revenue sharing	3 795		3 795
Interest income	1 104		1 104
Other income	<u>31,696</u>		<u>31,696</u>
Total revenues	<u>\$ 378,099</u>	<u>\$</u>	<u>\$ 378,099</u>
EXPENDITURES			
General government			
Finance and administration	\$ 2 025	\$	\$ 2 025
Culture and recreation	167 652		167 652
Capital outlay	86 736		86 736
Principal paid	74 726		74 726
Interest paid	<u>125,001</u>		<u>125,001</u>
Total expenditures	<u>\$ 456,140</u>	<u>\$</u>	<u>\$ 456,140</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (78,041)</u>	<u>\$</u>	<u>\$ (78,041)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$</u>
Total other financing sources (uses)	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$</u>
Excess (deficiency) of expenditures over revenues	\$ (78 040)	\$ (1)	\$ (78 041)
Fund balance beginning of year	<u>623,880</u>	<u>1</u>	<u>623,881</u>
Fund balance end of year	<u>\$ 545,840</u>	<u>\$</u>	<u>\$ 545,840</u>

The accompanying notes are an integral part of this financial statement

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31 2013

Net changes in fund balance – governmental fund (Statement E)	\$	(78 041)
---	----	----------

Amounts reported for governmental activity in the statement of activity is different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$	86 736	
Depreciation expense		<u>(76,751)</u>	9 985

Governmental funds report debt service payments as expenditures and proceeds from loans as revenues. However, in the statement of activities, repayments of principal of indebtedness reduces long term liabilities in the statement of net position and loan proceeds increase long term liabilities.

Principal paid	\$	74 726	
Accrued interest payable		<u>(4,872)</u>	<u>69,854</u>

Change in net position per statement of activities (Statement B)	\$	<u>1,798</u>
--	----	--------------

NOTES TO THE FINANCIAL STATEMENTS

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

INTRODUCTION

- 1 The Concordia Parish Recreation District No 3 (the District) was created by ordinance of the Concordia Parish Police Jury on May 28 1958 as provided by Louisiana Revised Statutes 33 4562-4566 The District has been a component unit of the Concordia Parish Police Jury since inception in 1958
- 2 The purpose of the District is to own and operate playgrounds and other facilities in the District and to initiate activities that would promote recreation relating to the general health and well being of youths
- 3 The District is located in Vidalia and surrounding areas of Concordia Parish Louisiana
- 4 The population of the District is approximately 7 200
- 5 The District is governed by seven commissioners appointed by the Concordia Parish Police Jury The commissioners serve without pay
- 6 The District has a secretary two maintenance and three or four other part time independent contractors
- 7 Approximately 1 000 youth and adults participate in the District's facilities and programs each year

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PRESENTATION

The accompanying basic financial statements of the Concordia Parish Recreation District No 3 have been prepared in conformity with accounting principles generally accepted in the United States of America The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles The accompanying basic financial statements have been prepared in conformity with GASB Statements 34 *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999

B REPORTING ENTITY

The District is a component unit of the Concordia Parish Police Jury the financial reporting entity The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity

C FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities

CONCORDIA PARISH RECREATION DISTRICT NO 3
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C FUND ACCOUNTING (continued)

A fund is a separate accounting entity with a self balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. The governmental fund of the District includes:

1. General Fund - the primary operating fund of the District and it accounts for all financial resources except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.
2. Debt Service Fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.

D MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements

The amounts reflected in the Governmental Funds of Statements C and D are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled through adjustment to a government wide view of the District's operations.

The amounts reflected in the Governmental Funds of Statements C and D use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

CONCORDIA PARISH RECREATION DISTRICT NO 3
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Government Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

E CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand demand deposits and short term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit government backed securities commercial paper the state sponsored investment pool and mutual funds consisting solely of government backed securities.

F RECEIVABLES AND PAYABLES

All trade and property tax receivables are shown net of allowance for uncollectables. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized to levy a 4 mill tax for the operation and maintenance of the District. The District levied taxes of 4.00 mills for year 2013.

The following are the principal taxpayers and related property tax revenues for the District:

	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for District
Catalyst Old River	Hydro Power	\$ 37,654,530	43.4%	\$ 150,242
Union Underwear Inc	Clothing	<u>9,573,390</u>	<u>11.03%</u>	<u>38,198</u>
		<u>\$ 47,227,920</u>	<u>\$ 54.43%</u>	<u>\$ 188,440</u>

G PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements.

H CAPITAL ASSETS

Capital assets which include property plant and equipment are reported in the applicable government wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

CONCORDIA PARISH RECREATION DISTRICT NO 3
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H CAPITAL ASSETS (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets other than land are depreciated using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years

I ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

J BUDGET PRACTICES

The District did not adopt budgets for its funds for the year ended December 31, 2013; therefore, the financial statements do not reflect a comparison of revenues and expenditures to budget. Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Louisiana Government Budget Act.

K FUND EQUITY

Beginning with fiscal year 2013, the District implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- Committed fund balance** - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

CONCORDIA PARISH RECREATION DISTRICT NO 3
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K FUND EQUITY (continued)

Assigned fund balance - amounts a government intends to use for a specific purpose intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority

Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets construction debt service or for other purposes)

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution This is typically done through adoption and amendment of the budget A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives) Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets construction debt service or for other purposes)

In the general fund the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31 2013 the District had cash and cash equivalents (book balances) totaling \$287 266 All bank accounts were interest bearing demand deposit accounts

These deposits are stated at cost which approximates market Under state law these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties

At December 31 2013 the District had \$287 266 in deposits (collected bank balances) These deposits are secured from risk by \$250 000 of federal deposit insurance and \$37 266 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3)

NOTE 3 RECEIVABLES

The receivables of \$324 953 at December 31 2013 are as follows

Ad valorem	\$ 324 953
Less allowance for doubtful accounts	
Total receivables	<u>\$ 324,953</u>

These accounts receivable are considered to be 100% collectable and no provision for bad debts has been made by the District

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31 2013 are as follows

	Balance <u>12/31/2012</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/2013</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 527,540	\$	\$	\$ 527,540
Construction in progress	4,667,590		(4,667,590)	
	<u>\$ 5,195,130</u>	<u>\$</u>	<u>\$ (4,667,590)</u>	<u>\$ 527,540</u>
Capital assets being depreciated				
Buildings	\$ 340,584	\$ 4,754,326	\$	\$ 5,094,910
Equipment	409,347			409,347
Total capital assets being depreciated	<u>\$ 749,931</u>	<u>\$ 4,754,326</u>	<u>\$</u>	<u>\$ 5,504,257</u>
Less accumulated depreciation for				
Buildings	\$ (273,962)	\$ (65,635)	\$	\$ (339,597)
Equipment	(297,309)	(11,116)		(308,425)
Total accumulated depreciation	<u>\$ (571,271)</u>	<u>\$ (76,751)</u>	<u>\$</u>	<u>\$ (648,022)</u>
Total capital assets being depreciated net	<u>\$ 178,660</u>	<u>\$ 4,677,575</u>	<u>\$</u>	<u>\$ 4,856,235</u>
Governmental activities capital assets net	<u>\$ 5,373,790</u>	<u>\$ 4,677,575</u>	<u>\$ (4,667,590)</u>	<u>\$ 5,383,775</u>

Depreciation expense of \$76,751 was charged to culture and recreation

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

Accounts and other payables consisted of the following at year end

Finance and administration	\$ 66,666
Culture and recreation operations	3,382
Total payables	<u>\$ 70,048</u>

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013

NOTE 6 - GENERAL LONG TERM DEBT

At December 31 2013 long term debt was comprised of the following

\$3 200 000 - 2013 Tax Improvement Revenue Bond due in
annual installments of \$70 913 to \$191 000 beginning
July 25 2014 through July 25 2038 interest at 4 5 / \$ 2,861,207

The following is a summary of the long term debt transactions for the year ended December 31 2013

	Balance 1 1 2013	Additions	Reductions	Balance 12-31 2013	Due Within One Year
Bond payable	\$ 2,935,933	\$	\$ 74,726	\$ 2,861,207	\$ 70,913
Total	<u>\$ 2,935,933</u>	<u>\$</u>	<u>\$ 74,726</u>	<u>\$ 2,861,207</u>	<u>\$ 70,913</u>

The project that is funded through this bond is ongoing and is not complete. Anticipated completion date is July 2013. Funds are drawn as needed to pay for construction. The first payment due is March 1 2013 which is interest only. The first principal payment is due March 1 2013.

The maturity schedule for the debt is as follows

Date	Principal	Interest	Total
2014	\$ 70 913	\$ 128 814	\$ 199 727
2015	74 167	125 560	199 727
2016	77 503	122 224	199 727
2017	80 990	118 737	199 727
2018	84 635	115 092	199 727
2019-2023	483 846	514 788	998 634
2024-2028	602 962	709 059	1 312 021
2029-2033	751 401	247 234	998 635
2034-2038	<u>634,790</u>	<u>66,152</u>	<u>700,942</u>
Total	<u>\$ 2,861,207</u>	<u>\$ 2,147,660</u>	<u>\$ 5,008,867</u>

NOTE 7 - LEASE COMMITMENT

On March 1 2009 the District entered into a lease agreement with the City of Vidalia to lease a 30 acre tract of land in Concordia Parish for the purpose of providing the citizen members of the Recreation District a safe and adequate place to conduct their recreational activities. The lease is for 50 years terminating on February 28 2059. The District will have an option to renew for an additional 50 years 30 days prior to the expiration of the current lease. The lease is \$100 per year payable yearly in advance on the first day of March of each year.

**CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31 2013**

NOTE 8 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage liability issues and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION III
REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



209 N. Commerce Street
 PO Box 1027
 Natchez, Mississippi 39121 1027
 Telephone 601 442 7411
 Fax 601 442 8551
www.silassimmons.com

**INDEPENDENT AUDITOR S REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE AND
 OTHER MATTERS BASED ON AN AUDIT OF THE
 BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
 Concordia Parish Recreation District No 3
 Concordia Parish Police Jury
 Vidalia Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities each major fund and the aggregate remaining fund information of Concordia Parish Recreation District No 3 as of and for the year ended December 31 2013 and the related notes to the financial statements which collectively comprise the Concordia Parish Recreation District No 3 s basic financial statements and have issued our report thereon dated May 30 2014

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered the Concordia Parish Recreation District No 3 s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Concordia Parish Recreation District No 3 s internal control Accordingly we do not express an opinion on the effectiveness of the Concordia Parish Recreation District No 3 s internal control

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified. We questioned costs that we consider to be significant deficiencies as 2013 1 and 2013 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Parish Recreation District No. 3's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Concordia Parish Recreation District No. 3's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Concordia Parish Recreation District No. 3's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Concordia Parish Recreation District No. 3, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Natchez, Mississippi
May 30, 2014

**SECTION IV
SUMMARY OF AUDITOR S REPORTS**

CURRENT AUDIT FINDINGS

The corrective action plan for the current year audit findings is presented in Statement 1

PRIOR AUDIT FINDINGS

The follow up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Statement 2)

**CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013**

SECTION I SUMMARY OF AUDITOR'S REPORTS

- | | | |
|---|--|-------------|
| 1 | Type of auditor's report issued on the primary government financial statements | |
| | Governmental activities | Unqualified |
| 2 | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(s) identified that are not considered to be material weaknesses? | Yes |
| 3 | Noncompliance material to the primary government financial statements? | No |

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31 2013

<u>Ref No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes No Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements				
2012 1	Numerous	We noted the District does not have adequate segregation of duties This finding has been reported as a reportable condition other than a maternal weakness for many years	No	This is reported in 2013 as finding 2013-1 Management indicates that it is not cost efficient or feasible to increase the number of employees and had no plans to do so
2012 2	2012	We noted the District was late filing the entity s audit report to the Legislative Auditor	Yes	This finding has been corrected
2012 3	2012	<u>Questioned Costs</u> The District had 14 ACH transactions during the year totaling \$5,384 which were disbursed out of the operating bank account. These funds were spent at a nationally owned electronics store The District did not reconcile its bank account on a monthly basis and did not know that these transactions had taken place until approximately six months after the event. Four more transactions took place in March and April of 2013 totaling \$1 181 The purpose of these transactions could not be explained and thus may be a misappropriation of funds	Partially	<u>1 ACH transactions</u> The LA Legislative Auditor was notified and the Vidalia Louisiana police department is investigating these transactions The investigation is now out of the authority of the District. The bank account in which these transactions occurred has been closed <u>2 Bank reconciliations</u> Bank reconciliations are now being prepared monthly Also the District has acquired software so that the books and financial statements can be prepared monthly and financial statements can be reviewed by the Board at the monthly meetings The banks have been notified to not allow any additional ACH transactions Lack of internal controls still exists because the District has only one employee and cannot segregate duties
Section II - Internal Control and Compliance Material to Federal Awards				
None				
Section III - Management Letter				
None				

CONCORDIA PARISH RECREATION DISTRICT NO 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA LOUISIANA
CURRENT YEAR FINDINGS RECOMMENDATIONS AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31 2013

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
Section I – Internal Control and Compliance Not Material to the Financial Statements				
2013 1	<u>Segregation of Duties</u> There is insufficient segregation of duties necessary to have an effective internal control One person has complete control over receipts and disbursements because she is the only person employed	Management indicated that it would not be cost efficient or feasible to hire any additional employees and plans no changes in its operations	Patricia Anderson	N/A
2013-2	<u>Questioned Costs</u> As previously reported in Finding 2012 3 four ACII transactions totaling \$1 181 took place in March and April of 2013 These funds were spent at a nationally owned electronics store and the purpose is unknown and thus may be a misappropriation of funds	The Louisiana Legislative Auditor and the Vidalia Louisiana police have been notified and are investigating these transactions The result of the investigation is unknown to the District	Patricia Anderson	Unknown
Section II – Internal Control and Compliance Material to Federal Awards				
None				
Section III – Management Letter				
None				